



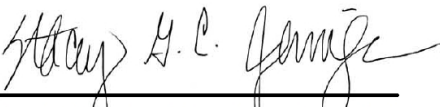
CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed August 19, 2022


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Reorganized Debtor.

UBS SECURITIES LLC AND UBS AG LONDON
BRANCH,

Plaintiffs,

vs.

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Defendant.

§
§ Chapter 11
§
§ Case No. 19-34054-sgj11
§
§
§
§ Adversary Proceeding
§
§ No. 21-03020-sgj
§
§
§
§
§

**ORDER AND JUDGMENT GRANTING UBS'S REQUEST FOR A PERMANENT
INJUNCTION AGAINST HIGHLAND CAPITAL MANAGEMENT, L.P.**

¹ The Reorganized Debtor's last four digits of its taxpayer identification number are (8357). The headquarters and service address for the above-captioned Reorganized Debtor is 100 Crescent Court, Suite 1850, Dallas, TX 75201.

This matter having come before the Court on *Highland Capital Management, L.P.’s Motion to Withdraw Its Answer and Consent to Judgment for Permanent Injunctive Relief* [Docket No. 169] (the “Motion”) filed by Highland Capital Management, L.P. (“Highland”), the defendant in the above-captioned adversary proceeding (the “Adversary Proceeding”) and the reorganized debtor in the above-captioned chapter 11 case (the “Bankruptcy Case”); and this Court having considered (a) the Motion and (b) the *Declaration of James P. Seery, Jr. in Support of Highland Capital Management, L.P.’s Motion to Withdraw Its Answer and Consent to Judgment for the Permanent Injunctive Relief Sought by Plaintiff* (the “Seery Declaration”) and together with the Motion, “Highland’s Papers”),² (c) the evidence presented at the August 8, 2022 hearing on the Motion, and (d) all prior proceedings relating to the Adversary Proceeding; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that injunctive relief is warranted under sections 105(a) and 362(a) of the Bankruptcy Code; and this Court having found that Highland’s notice of the Motion and opportunity for a hearing on the Motion were appropriate and that no other notice need be provided; and this Court having considered the evidence presented on August 8, 2022, and in consideration of that evidence, the Court having found that the legal and factual bases presented establish good cause for the relief granted herein, and that (1) such relief is necessary to avoid immediate and irreparable harm to UBS Securities LLC and UBS AG London Branch (together, “UBS”), (2) UBS will succeed on the merits of its underlying claim for injunctive relief, (3) the injury to UBS outweighs any damages that the injunction will cause Highland, and (4) such relief

² Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in Highland’s Papers.

serves the public interest; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, and for the reasons set forth in the record on this Motion, it is **HEREBY ORDERED THAT:**

1. The Motion is **GRANTED IN PART** as set forth herein.
2. Highland's *Answer to Complaint* [Docket No. 84] is deemed **WITHDRAWN**.
3. Subject to any further order of this Court, Highland is hereby permanently **ENJOINED AND RESTRAINED** from making or allowing funds under its control (including, but not limited to, Multi-Strat or CDO Fund) to make any payments or further transfers to the Sentinel Entities (or any entities known by Highland to be transferees of the Sentinel Entities) consisting of, resulting from, or relating to the Transferred Assets pending (i) a decision of a court of competent jurisdiction as to whether the Transferred Assets were fraudulently transferred to or for the benefit of Sentinel, Dondero, Ellington, and/or any of their affiliates or as part of a fraudulent scheme, or (ii) an agreement between Highland and UBS as to the disposition of the Transferred Assets.
4. This Order shall remain in effect unless otherwise ordered by the Court.
5. All objections to the Motion are overruled in their entirety.
6. The Court shall retain exclusive jurisdiction with respect to all matters arising from or relating to the implementation, interpretation, and enforcement of this Order.

END OF ORDER

United States Bankruptcy Court
Northern District of Texas

UBS Securities LLC,
Plaintiff
Highland Capital Management, L.P.,
Defendant

Adv. Proc. No. 21-03020-sgj

CERTIFICATE OF NOTICE

District/off: 0539-3
Date Rcvd: Aug 23, 2022

User: admin
Form ID: pdf001

Page 1 of 2
Total Noticed: 8

The following symbols are used throughout this certificate:

Symbol Definition

+ Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 25, 2022:

Recip ID	Recipient Name and Address
aty	+ Jamie Wine, LATHAM & WATKINS LLP, 885 Third Ave., New York, NY 10022-4874
aty	+ Jason R. Burt, 555 Eleventh Street, NW, Suite 1000, Washington, D. 20004-1327
aty	+ Jeffrey E. Bjork, Latham & Watkins LLP, 355 S. Grand Ave., Ste. 100, Los Angeles, CA 90071-3104
aty	+ Katherine George, LATHAM & WATKINS LLP, 330 North Wabash Avenue, Ste. 2800, Chicago, IL 60611-3695
aty	+ Sarah Tomkowiak, Latham & Watkins LLP, 555 Eleventh Street, NW, Suite 1000, Washington, DC 20004-1359
aty	+ Zachary F. Proulx, LATHAM & WATKINS LLP, 1271 Avenue of the Americas, New York, NY 10020-1300

TOTAL: 6

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustregion06.da.ecf@usdoj.gov	Aug 23 2022 21:12:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996
ust	+ Email/Text: ustregion07.au.ecf@usdoj.gov	Aug 23 2022 21:12:00	United States Trustee - AU12, United States Trustee, 903 San Jacinto Blvd, Suite 230, Austin, TX 78701-2450

TOTAL: 2

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 25, 2022

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 23, 2022 at the address(es) listed below:

District/off: 0539-3

User: admin

Page 2 of 2

Date Rcvd: Aug 23, 2022

Form ID: pdf001

Total Noticed: 8

Name	Email Address
Andrew Clubok	on behalf of Plaintiff UBS Securities LLC andrew.clubok@lw.com andrew-clubok-9012@ecf.pacerpro.com,ny-courtmail@lw.com,dclitserv@lw.com
Andrew Clubok	on behalf of Plaintiff UBS AG London Branch andrew.clubok@lw.com andrew-clubok-9012@ecf.pacerpro.com,ny-courtmail@lw.com,dclitserv@lw.com
Candice Marie Carson	on behalf of Plaintiff UBS AG London Branch Candice.Carson@butlersnow.com
Candice Marie Carson	on behalf of Plaintiff UBS Securities LLC Candice.Carson@butlersnow.com
Clay M. Taylor	on behalf of Interested Party James Dondero clay.taylor@bondsellis.com krista.hillman@bondsellis.com
Eric A. Soderlund	on behalf of Interested Party Former Employees eric.soderlund@judithwross.com
Frances Anne Smith	on behalf of Interested Party Former Employees frances.smith@judithwross.com michael.coulombe@judithwross.com
Juliana Hoffman	on behalf of Creditor Committee Official Committee of Unsecured Creditors jhoffman@sidley.com txefilingnotice@sidley.com;julianna-hoffman-8287@ecf.pacerpro.com
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Matthew A. Clemente	on behalf of Creditor Committee Official Committee of Unsecured Creditors mclemente@sidley.com matthew-clemente-8764@ecf.pacerpro.com;efilingnotice@sidley.com;ebromagen@sidley.com;alyssa.russell@sidley.com;dtwom ey@sidley.com
Melissa S. Hayward	on behalf of Defendant Highland Capital Management L.P. MHayward@HaywardFirm.com, mholmes@HaywardFirm.com
Paige Holden Montgomery	on behalf of Creditor Committee Official Committee of Unsecured Creditors pmontgomery@sidley.com txefilingnotice@sidley.com;paige-montgomery-7756@ecf.pacerpro.com;crognes@sidley.com;ebromagen@sidley.com;efilingnoti ce@sidley.com
Thomas C. Scannell	on behalf of Interested Party Sentinel Reinsurance Ltd. tscannell@foley.com acordero@foley.com;thomas-scannell-3441@ecf.pacerpro.com
Zachery Z. Annable	on behalf of Defendant Highland Capital Management L.P. zannable@haywardfirm.com

TOTAL: 17